

SANDLER, REIFF, YOUNG & LAMB, P.C.

January 17, 2014

Via E-Mail and First Class Mail

Jeff S. Jordan, Esq.
Supervisory Attorney
Federal Election Commission
999 E Street, N.W.
Washington D.C. 20463

Re: MUR 6732

Dear Mr. Jordan:

I serve as counsel the North Carolina Democratic Party – Federal, and Muriel K. Offerman, in her official capacity as Treasurer (“Respondents”) and I am writing in response to the Commission’s letter dated May 1, 2013 regarding the above referenced matter and enclosing a complaint from Mike Rusher.

Mr. Rusher alleges two violations by Respondents in his complaint.

1) Overstatement of Cash on Hand

The complaint alleges that Respondents overstated cash on hand by including a receipt of \$14,115 from the State of North Carolina on its 2012 February Monthly Report. Based upon conversations with the state, Respondents believed that it would be receiving a payment for this amount via wire transfer and included that amount on its February report. When it was discovered in February that no such amount had been received by the committee, Respondents promptly voided the transaction on its March Monthly report to reverse the transaction. If the Commission desires further clarification, Respondents can amend its February Monthly report but the prompt reversal of the transaction on its subsequent monthly report did not result in any violation of the Federal Election Campaign Act.

2) Debts and Obligations Owed by the Committee

The complaint states that the party “has not reports any debts or obligations on their FEC reports covering the periods 1/1/12 through 2/28/13.” This is a statement of fact and is not an allegation of wrongdoing. Therefore, the Commission cannot pursue this issue as an allegation as the complainant has even alleged that the party has violated the Federal Election Campaign Act in any way. The Commission requires that a complaint describe an actual violation of the Act. A mere statement that there is no debt reported by the committee does not conform to even

the Commission's most liberal reading of the requirements of a properly filed complaint. Therefore, the Commission is precluded, based upon the lack of any allegation of a violation, from inferring any violation from the complaint. See 11 C.F.R. § 114.4(d)(2); MUR 5878, Statement of Reasons of Vice Chairman Donald F. McGahn and Commissioners Caroline C. Hunter and Matthew S. Peterson.

Notwithstanding the above, as a result of this complaint and significant staff transition, the Respondent has undertaken an exhaustive review of all of its reporting practices in 2012 and 2013. As a result of this review, Respondent has filed comprehensive amendments to its reports to include debts and obligations. It should be noted that most of the debts and obligations included in these amendments resulted from invoices received at the end of a month and that were paid at the beginning of the next month. Most of these invoices were paid within 5 to 7 days of receipt and it was the good faith belief of prior staff that these invoices were not required to include on any debt schedules due to the speed in which they were paid (A list of these debts paid within days are attached to this response as Exhibit A). Furthermore, most of these debts would not be required to have been reported but for the fact that state party committees are generally required to file reports on an monthly basis, not on a quarterly basis that is required of PACs and candidates. See 11 C.F.R. § 300.36(c).

Mr. Rusher's complain, on its face, does not allege any facts that a violation of the Federal Election Campaign Act has occurred. Therefore, the Commission must dismiss the complaint. Notwithstanding the complaint, the Respondent has voluntarily amended several reports to correct errors discovered during an exhaustive internal review. Fairness requires that any Commission action related to these amendments must be handled in accordance with the Commission's usual and normal procedures in connection with the compliance review undertaken by its Reports Analysis Division. Therefore, Respondent requests that the Commission dismiss this matter and the committee will work directly with Commission Reports Analysis, and if necessary, Audit staff, to handle any issues that its amendments may require.

Respectfully submitted,


Neil Reiff

Counsel for the North Carolina Democratic
Party and Muriel K. Offerman in her official
capacity as Treasurer